

## **AAE /URPL/RE 520 and PA820: Community Economic Analysis**

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Course Material Available on-line at “Learn@UW” (D2L)

### **Overview:**

The intent of this course is to expose students to economic theories and policies as applied to small open economies. Small open economies can range from urban neighborhoods to remote rural villages. Policy aimed at affecting economic change is a central focus. A particular emphasis is on application of the theories in real world situations. Theory helps us understand the complex and often confusing aspects of reality. Community economic development at its roots is truly interdisciplinary blending economics, sociology and political science to name the primary disciplines. In this course we will focus on the point of view of the economist.

You will notice that there is a distinctive domestic “rural bias” in this course and that is due to the nature of the instructor’s own research and Extension outreach educational focus. The concepts and ideas are not limited to rural communities. Indeed, one could almost do a word search and replace “rural community” with “urban neighborhood” and the logic of the argument will in all likelihood transfer. If your professional preference is to think within an urban setting, I challenge you to recast the concepts and ideas within an urban setting.

### **Objectives:**

1. Gain a systematic overview of economic theory as applied to small open economies.
2. Develop a toolbox for analyzing the strengths and weaknesses of the community’s economy.
3. Explore alternative processes for affecting change at the community level.
4. Improve the economic literacy of students interested in affecting change at the local level.

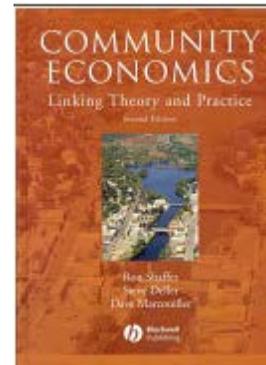
### **Some Underlying Questions to be Addressed:**

1. What is community economic development?
2. Can we get our head around it?
3. Why not just let markets do their job?
4. Why does an economy grow and not just stagnate and decline?
5. Why here and not over there?
6. How do we describe the local economy?
7. Is it all the banker’s fault?
8. Is it because taxes are too high?
9. Whose rules are these anyway?
10. Do we invest in people or places?
11. What can local communities do to affect change?

## Text:

*Community Economics: Linking Theory and Practice*. Ron Shaffer, Steve Deller and Dave Marcouiller. Oxford: Blackwell Press 2004.

The publisher has moved to a “print on demand” format and will not supply the UW bookstore and can be obtained directly from the publisher. I have also seen copies on Amazon and other on-line book stores. Unfortunately, for many of these custom texts, publishers are moving toward “print on demand” formats. Just like “last minute inventory” in manufacturing and big-box retail.

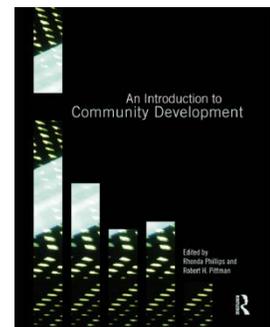


<http://www.wiley.com/WileyCDA/WileyTitle/productCd-0813816378.html>

There are also copies available via Amazon, Betterworldbooks, and most on-line retailers. Unfortunately, we do not have an electronic version of the book for readers such as Nook or Kindle.

A supplemental text that is available on the “Learn@UW” course site is

Phillips, R. and R.M. Pittman (2009). “An Introduction to Community Development. Routledge: New York.



## Readings:

In addition to the text the student is expected to provide a one-half to one page summary of an assigned reading. I am posting these on the courses D2L (or what UW-Madison calls “Learn@UW”). The readings will be posted at the class D2L site where you can download them. The readings vary in length and for the shorter readings your response will be due in one week (see below for schedule) and for longer ones, two weeks.

I will be looking at two parts to this part of the course: (1) your summary of the reading and (2) your discussion of what others have posted in the D2L site. The summary should contain three elements: (1) what was the main focus of the article, (2) what one point did you take away from the article, and (3) what one point did you “take issue with”.

In these discussions I want you to pose questions, comments, and reactions to the readings. I will be looking for your contribution to these discussions. I will monitor these discussions and interject my own points to help spur discussion. Your summary statement should be no more than one page.

## Class Project:

There will be a class project that each student is expected to complete. This project can best be described as a data exercise where I want you to pick a region (a county anywhere in the U.S.) and provide an *economic profile* of the region. The idea here is that you will collect the relevant

socioeconomic data, use the tools developed in class and analysis the strengths and weaknesses of the local economy. The idea is that there is a “story to be told” about the local economy and your job is to uncover that story and tell it. You will find that there is a wealth of data that is available, particularly at the county level, and that it is possible to become “awash in data”. Your job is to shift through the data and use the key pieces of information to tell that story.

As a template we will use the Economic Development Administration’s **COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIES (CEDS)** program. The EDA is a Federal agency out of the US Department of Commerce that is a primary agency for administering many community focused economic development grants. For the CEDS program communities must meet several requirements (e.g., documenting regional cooperation, private-public partnerships, etc.) one of which is an economic profile. We will use this program, and an example report from Michigan, as a crude template for your economic profile. This template is a “bare minimum” and you will be expected to provide more analysis than in the Michigan example.

Because of the wealth of data that is available (we will discuss those in class and most of the sources are linked on the class webpage) I suggest that you build the database early in the semester and “play with the data” throughout the semester. This is not the type of project that you want to wait to the end of the semester. If you procrastinate you will find yourself overwhelmed with data.

## **Grading:**

There will be one take home final exam in the class that will be worth 35% of your final grade. The form of the exam will be essay where you will be given the opportunity to pick 4-5 questions from a list. The questions will follow the format of the discussion questions at the end of each chapter in the text. An example question might be: “It is said that there are three waves of economic development strategies, what are those three waves, what are their relative strengths and weaknesses, and which is most appropriate for a community to pursue?” In all likelihood the wording of the exam questions will be a bit longer.

Final Exam:	35%	Short Essays:	20% (D2L participation)
Class Project:	35%	Class Participation:	10%

Because of the seminar nature of this class, I expect there to be class discussions much like the web-based discussions of the readings. Please feel free to challenge ideas that are presented and offer your own experiences as they relate to the material being discussed in class. Trust me, do you really want to listen to me lecture for three hours at a time? **Final Exam and Class Project Due at Noon May 12<sup>th</sup>** (last day of finals week).

## **Important Dates**

Spring Break: March 18–26  
Deller Out: Feb 17<sup>th</sup> (NO class)  
Deller Out: March 31<sup>st</sup> (NO class)  
Last Day of Class: May 4  
Final Exam and Data Project Due: May 12<sup>th</sup>

**Additional Reading:** Your reading essays and discussion on D2L (Learn@UW) are the following in order.....

Shaffer, Deller and Marcouiller. 2006. "Rethinking Community Economic Development." *Economic Development Quarterly*. 20(1):59-74.

Phillips and Pittman. 2009. "A Framework for Community and Economic Development." **Chapter 1** in An Introduction to Community Development. Routledge: New York.

**Both Shaffer etal and Phillips and Pittman Due 1/27**

Irwin, Isserman, Kilkenny and Partridge. 2010. "A Century of Research on Rural Development and Regional Issues." *American Journal of Agricultural Economics*. 92(2): 522-553 **Due 2/3**

**Deller Out: Feb 17<sup>th</sup> (NO class)**

Hall and Soskice. 2001. "An Introduction to the Varieties of Capitalism." In Hall and Soskice (eds) *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford University Press. **Due 2/24 (three weeks to read).**

Deller and Goetz. 2009. "A Brief History of Economic Development Policy and Thought." In Goetz, Deller and Harris (eds) *Targeting Regional Economic Development*.

Hustedde. 2009. "Seven Theories for Seven Community Developers. **Chapter 2** in Phillips, R. and R.M. Pittman (2009). An Introduction to Community Development. Routledge: New York.

**Both Deller-Goetz and Hustedde Due 3/3**

Dawkins. 2003. "Regional Development Theory: Conceptual Foundations, Classic Works, and Recent Developments. *Journal of Planning Literature*. 18(2):131-172 (Just the essay, not the abstracts) **Due 3/10**

Porter. 2000. "Location, Competition and Economic Development: Local Clusters in a Global Economy." *Economic Development Quarterly*. 14(1):15-34. **Due 3/17**

**Spring Break March 18–26**

**Deller Out: March 31<sup>st</sup> (NO class)**

Prillaman and Meire. 2014. "Taxes, Incentives, and Economic Growth: Assessing the Impact of Pro-business Taxes on U.S. State Economies. *The Journal of Politics*. 76(2):364-379.

Conroy, Tessa, Deller, Steven C. and Tsvethova, Alexandra. 2016. "Interstate Relocation of Manufacturers and Business Climate." *Review of Urban and Regional Development Studies*. 60:155-168.

**Both Prillaman/Meire and Conroy etal Due 4/7**

14<sup>th</sup>, 21<sup>st</sup> 28<sup>th</sup>

Vincent 2009. "Community Development Assessments." Chapter 9 in Phillips, R. and R.M. Pittman (2009). " *An Introduction to Community Development*. Routledge: New York

Green, G.P. 2009. "Community Asset Mapping and Surveys. Chapter 10 in Phillips, R. and R.M. Pittman (2009). " *An Introduction to Community Development*. Routledge: New York

**Both Vincent and Green Due 4/14**

Gruidl and Markley. 2009. "Entrepreneurship and Community Development Strategy." Chapter 15 in Phillips, R. and R.M. Pittman (2009). "An Introduction to Community Development. Routledge: New York.

Markeson, B. and **S.C Deller**. 2015. "Social Capital, Communities, and the Firm." In Halstead, John and Deller, Steven C. (eds). *Social Capital at the Community Level: An Applied Interdisciplinary Perspective*. London :Routledge Publishing.

**Gruidl/Markley and Markeson/Deller Due 4/21**

Lovan, W.R., M. Murray and R. Shaffer. "Participatory Governance in a Changing World." Chp 1. *Participatory Governance: Planning, Conflict Mediation and Public Decision-Making in Civil Society*. Ashgate.

Macedo, et.al. 2005. "The American Metropolis." Chp 3 in *Democracy at Risk: How Political Choices Undermine Citizen Participation, and What We Can Do About It?* The Brookings Institute.

**Lovan/Murray/Shaffer and Macedo etal Due 5/4**